CCNG
中國碳中和

中國碳中和發展集團有限公司
China Carbon Neutral Development Group Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 1372)

AUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 30 JUNE 2025

The Board (the "**Board**") of directors (the "**Directors**") of China Carbon Neutral Development Group Limited (the "**Company**") is pleased to announce that the Group's auditor, Prism Hong Kong Limited ("**Prism**"), has completed its audit of the consolidated financial statements of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 30 June 2025 (the "**Current Year**") in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. The audited annual results for the Current Year were approved by the Board on 30 September 2025, together with comparative figures for the period from 1 January 2023 to 30 June 2024 (the "**Period 2024**").

FINANCIAL HIGHLIGHTS

	Year ended 30 June 2025 *HK$'000*	Period from 1 January 2023 to 30 June 2024 *HK$'000*
Revenue		
– Global carbon neutral business	**4,654**	4,141
– Civil engineering and construction business	**556,834**	657,426
– Green credit digital technology business	**5,703**	297,517
– Battery cascading utilization business	**12,209**	–
	579,400	959,084
Gross Profit	**39,499**	49,905
Loss attributable to owners of the Company	**(7,450)**	(132,840)
Loss for the year/period, excluding one-off non-operating item*	**(9,541)**	(132,345)

* In order to facilitate the investors' and management's understanding of the financial information of the Company, an adjusted net loss is presented in this annual result announcement. The loss for the Current Year, excluding one-off non-operating item, is derived from impairment of goodwill (Period 2024: impairment of goodwill) from loss for the Current Year.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2025

	Notes	**Year ended 30 June 2025** *HK$'000*	Period from 1 January 2023 to 30 June 2024 *HK$'000*
REVENUE	4	**579,400**	959,084
Cost of sales		**(539,901)**	(909,179)
Gross profit		**39,499**	49,905
Other income and gains	5	**9,223**	6,196
Fair value change on carbon-credit assets	6	**55,836**	6,543
Research and development costs		**–**	(12,019)
Administrative and selling expenses		**(75,130)**	(102,279)
Equity-settled share option expenses		**(1,028)**	–
Finance costs	7	**(29,235)**	(72,647)
Impairment loss reversal of/(recognised on) account receivables, other receivables and contract assets, net		**430**	(6,879)
Operating loss		**(405)**	(131,180)
Impairment of goodwill		**(741)**	(4,993)
Loss before tax	8	**(1,146)**	(136,173)
Income tax expenses	9	**(9,136)**	(1,165)
Loss for the year/period		**(10,282)**	(137,338)
Loss for the year/period, excluding loss on impairment of goodwill ("one-off non-operating item")		**(9,541)**	(132,345)
Loss for the year/period attributable to:			
Owners of the Company		**(7,450)**	(132,840)
Non-controlling interests		**(2,832)**	(4,498)
		(10,282)	(137,338)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

For the year ended 30 June 2025

	Year ended 30 June 2025 *HK$'000*	Period from 1 January 2023 to 30 June 2024 *HK$'000*
Loss for the year/period, excluding one-off non-operating item, attributable to:		
Owners of the Company	**(6,709)**	(127,847)
Non-controlling interests	**(2,832)**	(4,498)
	(9,541)	(132,345)
Loss for the year/period	**(10,282)**	(137,338)
Other comprehensive income/(expense)		
Item that will not be reclassified to profit or loss in subsequent years:		
Fair value change on a financial asset at fair value through other comprehensive income ("**FVTOCI**")	**2,350**	(5,550)
Item that may be reclassified to profit or loss in subsequent years:		
Exchange differences arising on translation of financial statements of foreign operations	**923**	(935)
Total other comprehensive income/(expense) for the year/period	**3,273**	(6,485)
Total comprehensive expense for the year/period	**(7,009)**	(143,823)
Total comprehensive expense for the year/period attributable to:		
Owners of the Company	**(3,916)**	(139,418)
Non-controlling interests	**(3,093)**	(4,405)
	(7,009)	(143,823)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

For the year ended 30 June 2025

	Notes	**Year ended 30 June 2025** *HK$'000*	Period from 1 January 2023 to 30 June 2024 *HK$'000*
Total comprehensive expense for the year/ period, excluding one-off non-operating item, attributable to:			
Owners of the Company		**(3,175)**	(134,425)
Non-controlling interests		**(3,093)**	(4,405)
		(6,268)	(138,830)
LOSS PER SHARE	10		
Basic and diluted (HK cents)		**(1.32)**	(28.90)
LOSS PER SHARE, EXCLUDING ONE-OFF NON-OPERATING ITEM			
Basic and diluted (HK cents)	10	**(1.19)**	(27.80)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	At 30 June 2025 HK$'000	At 30 June 2024 HK$'000
NON-CURRENT ASSETS			
Plant and equipment		**4,207**	4,543
Right-of-use assets		**7,661**	10,933
Intangible assets		**1,800**	4,614
Goodwill		**42,234**	41,816
Deposits and other receivables		**56**	1,885
Investment in an associate		**1,097**	1,070
Financial asset at FVTOCI		**5,000**	2,650
Total non-current assets		**62,055**	67,511
CURRENT ASSETS			
Carbon-credit assets	6	**100,163**	15,620
Inventories		**2,717**	2,618
Contract assets		**70,228**	70,471
Account receivables	12	**38,889**	20,635
Prepayments, deposits and other receivables		**64,938**	47,963
Restricted bank deposits		**18,546**	1,313
Cash and cash equivalents		**102,108**	138,125
Total current assets		**397,589**	296,745
CURRENT LIABILITIES			
Account payables	13	**55,767**	54,683
Tax payable		**–**	90
Other payables and accruals		**147,448**	130,135
Interest-bearing bank and other borrowings		**76,270**	62,659
Lease liabilities		**6,223**	6,046
Convertible bonds		**93,000**	77,695
Total current liabilities		**378,708**	331,308
NET CURRENT ASSETS/(LIABILITIES)		**18,881**	(34,563)
TOTAL ASSETS LESS CURRENT LIABILITIES		**80,936**	32,948

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)
As at 30 June 2025

	At 30 June 2025 HK$'000	At 30 June 2024 HK$'000
NON-CURRENT LIABILITIES		
Other payables and accruals	**447**	3,031
Interest-bearing bank and other borrowings	**31,823**	6,957
Lease liabilities	**2,840**	6,337
Promissory note	**16,099**	16,099
Deferred tax liabilities	**11,135**	1,922
Total non-current liabilities	**62,344**	34,346
NET ASSETS/(LIABILITIES)	**18,592**	(1,398)
EQUITY		
Share capital	**6,430**	5,358
Reserves	**16,033**	(3,182)
Equity attributable to owners of the Company	**22,463**	2,176
Non-controlling interests	**(3,871)**	(3,574)
EQUITY/(DEFICIT IN EQUITY)	**18,592**	(1,398)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 June 2025

1. CORPORATE AND GROUP INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited. In the opinion of the directors of the Company, the immediate holding company is Quick Tycoon Limited and the ultimate holding company is China Eco Investment Limited, which were incorporated in Hong Kong and the British Virgin Islands respectively. The registered office address of the Company was located at 89 Nexus Way, Camana Bay, Grand Cayman, KY1-9009, Cayman Islands. The principal place of business of the Company is at Unit 1201, 12/F, Landmark South, 39 Yip Kan Street, Wong Chuk Hang, Hong Kong.

During the year ended 30 June 2025, the Group was principally engaged in the following activities:

– Trading of carbon-credit assets, carbon credit and carbon asset development, management and investment in carbon neutral related fields and carbon consulting and carbon planning; and the carbon negative business including industrial carbon negative with a core of development of carbon capture, utilisation and storage ("**CCUS**") and natural carbon negative focusing on forest and crop optimisation (the "**Global Carbon Neutral Business**");

– Civil engineering works, building construction and maintenance works (the "**Civil Engineering and Construction Business**");

– Providing environmental, social and governance ("**ESG**") analysis reports and assisting in obtaining green financing (the "**Green Credit Digital Technology Business**"); and

– Acquisition of waste materials from power batteries, while developing the cascade utilization of retired batteries from new energy public buses (the "**Battery Cascading Utilization Business**").

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for financial asset at FVTOCI that are measured at fair value and carbon-credit assets that are measured at fair value less cost to sell at the end of each reporting period. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

Pursuant to a resolution of the Board dated 21 December 2023, the financial year end date of the Company has been changed from 31 December to 30 June commencing from the financial period ended 30 June 2024 in order to avoid competition of resources with other listed companies during the peak reporting season and remove uncertainty from the variation on the dates of Chinese New Year Holiday which put pressure on the workflow. Accordingly, the comparative figures presented for the audited consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and related notes cover the audited figures of the financial year from 1 January 2023 to 30 June 2024 and therefore are not comparable with those shown for the current year.

2.2 BASIS OF PRESENTATION

Going concern assessment

The Group incurred a net loss of approximately HK$10,282,000 for the year ended 30 June 2025. As at 30 June 2025, the Group's current liabilities (including those that had become default or contain early demand clauses) amounted to HK$378,708,000 and the Group did not repay certain interest-bearing liabilities (including interest-bearing bank and other borrowings, convertible bonds and related accrual interests) of about HK$162,031,000 according to their scheduled repayment dates. As a result, as at 30 June 2025, the above interest-bearing liabilities had become default. Subsequent to 30 September 2025, the Group had not yet obtained extension letters for certain interest-bearing other borrowings of HK$65,070,000.

Notwithstanding the above results, the consolidated financial statements have been prepared on a going concern basis, the validity of the going concern basis is dependent upon the success of the Group's future operations, its ability to generate adequate cash flows in order to meet its obligations as and when fall due and its ability to refinance or restructure its borrowings such that the Group can meet its future working capital and financing requirements.

Also, the directors of the Company are of the opinion that the Group will be able to finance its future financing requirements and working capital based on the following considerations:

- other than continuing to develop carbon credit assets from existing carbon projects, the Group will continue to identify and seize more new carbon projects to secure supply of carbon credit assets and enrich the carbon credit assets portfolio of the Group;

- the Group will take initiatives to improve the gearing of the Group, including the repayment of other borrowings, which will reduce the long-term finance costs to the Group;

- the Group will carefully monitor and control administrative costs and future capital expenditures;

- a holder of convertible bonds has agreed to provide financial support for the continuing operations of the Company so as to enable it to meet its liabilities when they fall due for the foreseeable future and not call for any repayment of convertible bonds amounting to HK$89,000,000, until the Group is in a financial position to do so;

- the Group leveraged its Henan Zailiang New Energy Renewable Limited* ("**Henan Zailiang**") license to collaborate with state-owned enterprises, establishing a close B-ring supply chain for used batteries to enhance revenue streams, profitability, and financial health;

- the Group actively secured regulatory approval to convert approximately HK$57,650,000 in debt owed to two creditors into convertible bonds, thereby alleviating debt repayment pressures;

- subsequent to the reporting period, the bank borrowing of approximately HK$9,871,000 was fully repaid by the Group; and

- the directors of the Company have carried out a detail review of the working capital forecast of the Group for not less than fifteen months from the year end date, which took into account the projected future working capital of the Group.

In view of the above, the directors of the Company are of the opinion that there will be sufficient financial resources available to the Group to enable it to meet its liabilities as and when they fall due and to continue as a going concern. Accordingly, the directors of the Company have prepared the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether the directors of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows in the near future.

Should the Group be unable to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in these consolidated financial statements.

2.3 APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRS Accounting Standards issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 July 2024 for the preparation of the consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRS Accounting Standards in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards that have been issued but not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

[1] Effective for annual periods beginning on or after a date to be determined.
[2] Effective for annual periods beginning on or after 1 January 2025.
[3] Effective for annual periods beginning on or after 1 January 2026.
[4] Effective for annual periods beginning on or after 1 January 2027.

Except for the new HKFRS Accounting Standards mentioned below, the application of all other new and amendments to HKFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

3. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and service and has four reportable operating segments as follows:

– Global Carbon Neutral Business segment – (i) trading of carbon-credit assets, carbon credit and carbon asset development, management and investment in carbon neutral related fields and carbon consulting and carbon planning; and (ii) carbon negative business including industrial carbon negative with a core of development of CCUS and natural carbon negative focusing on forest and crop optimisation;

– Civil Engineering and Construction Business segment – civil engineering works and building construction and maintenance works;

– Green Credit Digital Technology Business segment – providing ESG analysis reports and assisting in obtaining green financing; and

– Battery Cascading Utilization Business segment –acquisition of waste materials from power batteries, while developing the cascade utilization of retired batteries from new energy public buses.

During the year ended 30 June 2025, the Group commenced a new reportable and operating segment named "Battery Cascading Utilization Business segment".

Management monitors the results of the Group's operating segments separately for the purpose of making decision about resources allocations and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax except that finance costs (other than interest on lease liabilities), gains on deregistration of subsidiaries, equity-settled share option expenses and impairment of goodwill as well as corporate and unallocated expenses are excluded from such measurement.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

	Global Carbon Neutral Business		Civil Engineering and Construction Business		Battery Cascading Utilization Business		Green Credit Digital Technology Business		Total	
	Year ended 30 June 2025	Period from 1 January 2023 to 30 June 2024	**Year ended 30 June 2025**	Period from 1 January 2023 to 30 June 2024	**Year ended 30 June 2025**	Period from 1 January 2023 to 30 June 2024	**Year ended 30 June 2025**	Period from 1 January 2023 to 30 June 2024	**Year ended 30 June 2025**	Period from 1 January 2023 to 30 June 2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue	**4,654**	4,141	**556,834**	657,426	**12,209**	–	**5,703**	297,517	**579,400**	959,084
Segment results	**25,265**	(61,905)	**10,818**	12,589	**(6,902)**	–	**1,272**	(4,056)	**30,453**	(53,372)
Impairment of goodwill									**(741)**	(4,993)
Equity-settled share option expenses									**(1,028)**	–
Gains on deregistration of subsidiaries									**3,660**	–
Corporate and unallocated expenses									**(5,027)**	(6,932)
Finance costs (other than interest on lease liabilities)									**(28,463)**	(70,876)
Loss before tax									**(1,146)**	(136,173)

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

	Global Carbon Neutral Business		Civil Engineering and Construction Business		Battery Cascading Utilization Business		Green Credit Digital Technology Business		Total	
	At 30 June 2025	At 30 June 2024	**At 30 June 2025**	At 30 June 2024	**At 30 June 2025**	At 30 June 2024	**At 30 June 2025**	At 30 June 2024	**At 30 June 2025**	At 30 June 2024
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**120,327**	121,473	**233,794**	233,783	**67,470**	–	**31,626**	4,874	**453,217**	360,130
Corporate and other unallocated assets									**6,427**	4,126
Total assets									**459,644**	364,256
Segment liabilities	**183,547**	114,139	**90,772**	99,655	**14,566**	–	**12,436**	22,423	**301,321**	236,217
Corporate and other unallocated liabilities									**139,731**	129,437
Total liabilities									**441,052**	365,654

4. REVENUE

	Year ended 30 June 2025 *HK$'000*	Period from 1 January 2023 to 30 June 2024 *HK$'000*
Sales of carbon-credit assets	**–**	229
Provision of carbon neutral advisory and carbon planning services	**4,654**	3,912
Green credit digital technology	**5,703**	297,517
Construction services	**308,008**	235,788
Civil engineering services	**248,826**	421,638
Transaction of waste batteries	**12,209**	–
	579,400	959,084
Timing of revenue recognition		
At a point in time	**12,209**	229
Over time	**567,191**	958,855
Total revenue from contracts with customers	**579,400**	959,084

5. OTHER INCOME AND GAINS

	Year ended 30 June 2025 *HK$'000*	Period from 1 January 2023 to 30 June 2024 *HK$'000*
Interest income	**3,048**	854
Consultancy fee income	**360**	540
Government subsidies	**–**	1,821
Management fee income	**1,367**	2,140
Sundry income	**216**	841
Gains on deregistration of subsidiaries	**3,660**	–
Gains on modification of lease	**572**	–
	9,223	6,196

6. CARBON-CREDIT ASSETS

Carbon-credit assets were formed through the exploration and development of relevant business units of the Group and originated from the verified and issued International Certified Emission Reductions which is generated from various emissions reductions projects such as biomass power generation, solar PV power generation, landfill gas recovery and power generation, and coal mine methane power generation. These International Certified Emission Reductions are tradable carbon credit assets that comply with the Gold Standard and the Verified Carbon Standard.

Fair value change on carbon-credit assets

Carbon-credit assets are measured at fair value less cost to sell and the changes in fair value are recognised as fair value change on carbon-credit assets in the consolidated statement of profit or loss and other comprehensive income.

7. FINANCE COSTS

	Year ended 30 June 2025 *HK$'000*	Period from 1 January 2023 to 30 June 2024 *HK$'000*
Interest on lease liabilities	**772**	1,771
Interest on bank and other borrowings	**10,826**	3,584
Interest on promissory notes	**2,332**	26,047
Imputed interest on convertible bond	**15,305**	41,245
	29,235	72,647

8. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	Year ended 30 June 2025 *HK$'000*	Period from 1 January 2023 to 30 June 2024 *HK$'000*
Cost of sales		
Cost of inventories sold	**11,992**	564
Cost of service income	**5,247**	296,196
Contract costs	**522,662**	612,419
	539,901	909,179
Employee benefit expense (excluding directors' and chief executives' remuneration)#		
Wages and salaries	**81,180**	104,320
Equity-settled share option expenses	**1,028**	–
Pension scheme contributions	**2,337**	4,030
	84,545	108,350
Impairment loss recognised on/ (reversal of) account receivables*	**438**	(2)
Impairment loss recognised on other receivables*	**556**	6,557
Impairment loss (reversal of)/ recognised on contract assets*	**(1,424)**	324
Impairment of intangible assets	**2,814**	–
Impairment of goodwill	**741**	4,993
Depreciation of plant and equipment	**1,240**	1,563
Depreciation of right-of-use assets	**8,062**	15,376
Auditor's remuneration	**1,200**	1,600
Lease payments not included in the measurement of lease liabilities	**2,237**	1,055

* These items are included in "impairment loss reversal of/(recognised on) account receivables, other receivables and contract assets, net" in the consolidated statement of profit or loss and other comprehensive income.

\# The employee benefit expense of HK$38,602,000 (period from 1 January 2023 to 30 June 2024: HK$67,103,000) for the year included in "cost of sales" provided above and no expense (period from 1 January 2023 to 30 June 2024: HK$3,936,000) for the year included in "research and development costs" in the consolidated statement of profit or loss and other comprehensive income.

9. INCOME TAX EXPENSES

Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The directors of the Company consider the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the year/period.

Income tax arising in the PRC and other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. Pursuant to the relevant law and regulations in the PRC, PRC subsidiaries qualified as Hi-Tech Enterprise or eligible to enjoy the western Region Preferential Income Tax policies are entitled to 15% PRC enterprise income tax. The tax rate of the other PRC subsidiaries is 25%.

Pursuant to the PRC Enterprise Income Tax Law and the Detailed Implementation Rules, distribution of the profits earned by the PRC subsidiaries since 1 January 2008 to holding companies incorporated in Hong Kong is subject to the PRC withholding tax at the applicable tax rates of 5%.

	Year ended 30 June 2025 *HK$'000*	Period from 1 January 2023 to 30 June 2024 *HK$'000*
Current tax expenses	**11**	94
Over provision in prior years	**(88)**	–
Deferred tax expenses	**9,213**	1,071
	9,136	1,165

10. LOSS PER SHARE

The calculations of the basic loss per share and basic loss per share, excluding one-off non-operating item, for the year ended 30 June 2025 are based on the loss for the year attributable to owners of the Company of HK$7,450,000 and loss for the year, excluding one-off non-operating item, attributable to owners of the Company of HK$6,709,000 respectively (period from 1 January 2023 to 30 June 2024: loss of HK$132,840,000 and HK$127,847,000 respectively), and the weighted average number of 565,054,000 (period from 1 January 2023 to 30 June 2024: 459,982,000) ordinary shares in issue during the year.

For the year ended 30 June 2025, the calculation of the diluted loss per share and diluted loss per share, excluding one-off non-operating item, are based on the loss for the year attributable to the owners of the Company and loss for the year, excluding one-off non-operating item, attributable to owners of the Company, respectively. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic loss per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares for the year.

For the year ended 30 June 2025, the computation of diluted loss per share and diluted loss per share, excluding one-off non-operating item, did not assume the conversion of the convertible bonds and the exercise of the share options since the assumed conversion and exercise would be anti-dilutive which result in a decrease in loss per share.

The calculations of basic and diluted loss per share and basic and diluted loss per share, excluding one-off non-operating item are based on:

	Year ended 30 June 2025 *HK$'000*	Period from 1 January 2023 to 30 June 2024 *HK$'000*
Loss		
Loss attributable to owners of the Company, used in basic and diluted loss per share calculation	**(7,450)**	(132,840)
Loss excluding one-off non-operating item		
Loss attributable to owners of the Company, used in basic and diluted loss per share calculation, excluding one-off non-operating item	**(6,709)**	(127,847)

	At 30 June 2025	At 30 June 2024
Number of shares		
Weighted average number of ordinary shares in issue during the year/period used in the basic and diluted loss per share calculation	**565,053,589**	459,981,536

11. DIVIDEND

No dividend was paid or proposed for ordinary shareholders of the Company during the year, nor has any dividend been proposed since the end of the reporting period (period from 1 January 2023 to 30 June 2024: Nil).

12. ACCOUNT RECEIVABLES

	At 30 June 2025 *HK$'000*	At 30 June 2024 *HK$'000*
Account receivables	**40,763**	22,071
Less: allowance for impairment loss	**(1,874)**	(1,436)
	38,889	20,635

The aging analysis of the account receivables as at the end of the reporting year/period, based on the invoice date and net of loss allowance, is as follows:

	At 30 June 2025	At 30 June 2024
	HK$'000	*HK$'000*
Within 3 months	**33,662**	20,053
4 to 6 months	**4,114**	12
Over 6 months	**1,113**	570
	38,889	20,635

13. ACCOUNT PAYABLES

An aging analysis of the account payables as at the end of each reporting year/period, based on the invoice date, is as follows:

	At 30 June 2025	At 30 June 2024
	HK$'000	*HK$'000*
Within 3 months	**53,050**	53,525
4 to 6 months	**348**	310
Over 6 months	**2,369**	848
	55,767	54,683

14. CONTINGENT LIABILITIES

As of 30 June 2025 and 2024, the Group had the following contingent liabilities:

(a) At 30 June 2025, the guarantees given by the Group to certain banks in respect of performance bonds in favour of certain contract customers amounted to HK$15,249,000 (2024: HK$16,777,000).

(b) In the ordinary course of the Group's construction business, the Group has been subject to a number of claims due to personal injuries suffered by employees of the Group or the Group's subcontractors in accidents arising out of and in the course of their employment. The directors of the Company are of the opinion that such claims are well covered by insurance and would not result in any material adverse impact on the financial position or results and operations of the Group.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENT

The following is an extract of the independent auditor's report on the Company's consolidated financial statements for the year ended 30 June 2025:

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of China Carbon Neutral Development Group Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**"), which comprise the consolidated statement of financial position as 30 June 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information.

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR DISCLAIMER OF OPINION

Multiple uncertainties relating to going concern

As set out in Note 3.2 to the consolidated financial statements, the Group incurred net loss of HK$10,282,000 for the year ended 30 June 2025. As at 30 June 2025, the Group's current liabilities (including those that had become default or contain early demand clauses) amounted to HK$378,708,000.

As at 30 June 2025, the Group did not repay certain interest-bearing liabilities (including interest-bearing bank and other borrowings, convertible bonds and related accrual interests) of about HK$162,031,000 according to their scheduled repayment dates. As a result, as at 30 June 2025, the above interest-bearing liabilities had become default. Subsequent to 30 September 2025, the Group had not yet obtained extension letters for certain interest-bearing other borrowings of HK$65,070,000. These events and conditions, together with other matters disclosed in Note 3.2 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern.

The directors of the Company have been undertaking measures to improve the Group's liquidity and financial position, which are set out in Note 3.2 to the consolidated financial statements. The validity of the going concern assumptions on which the consolidated financial statements have been prepared depends on the outcome of these measures, which are subject to multiple uncertainties.

Should the Group be unable to achieve the abovementioned plans and measures, it might not be able to continue to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND FINANCIAL REVIEW

The Group is principally engaged in (i) global carbon neutral business, focusing on trading of carbon-credit assets, carbon credit and carbon asset development, management and investment in carbon neutral related fields and carbon consulting and carbon planning; and the carbon negative business including industrial carbon negative with core of development of carbon capture, CCUS and natural carbon negative focusing on forest and crop optimisation; (ii) civil engineering works, building construction and maintenance works; (iii) providing ESG analysis reports and assisting in obtaining green financing; and (iv) acquisition of waste materials from power batteries, while developing the cascade utilisation of retired batteries from new energy public buses.

In the future, the Group decides to form an integrated business of photovoltaic, charging, storage, operation and management to innovate and develop a distributed photovoltaic business model in terms of new energy and actively engaging in the graded utilization and related business of waste batteries through Henan Zailiang New Energy Renewable Company Limited, which has been selected into the Ministry of Industry and Information Technology's white list for comprehensive utilization of waste batteries, and developing an online and offline integrated platform for new energy battery utilization empowered by blockchain and artificial intelligence technology through Xunli.com data technology, embracing the digital era and advanced digital technology.

For the Current Year, the Group recorded a consolidated revenue of approximately HK$579.4 million (Period 2024: approximately HK$959.1 million), representing a decrease of approximately 39.6%, or HK$379.7 million, mainly due to the decrease in revenue of approximately HK$291.8 million from green credit digital technology business and approximately HK$100.6 million of civil engineering and construction business being less than pro rata 50% increase in length terms during the Current Year. As a result of the decrease in the revenue during the Current Year, the gross profit of the Group for the Current Year amounted to approximately HK$39.5 million (Period 2024: approximately HK$49.9 million), representing a decrease of approximately HK$10.4 million or 20.9% as compared to Period 2024, being less than pro rata 50% increase in length terms.

The administrative and selling expenses of the Group for the Current Year was approximately HK$75.1 million (Period 2024: approximately HK$102.3 million), representing a decrease of approximately HK$27.1 million or 26.5% as compared to Period 2024, being less than pro rata 50% increase in length terms mainly as a result of the Group exercised a tight control on operation costs.

The finance costs of the Group for the Current Year was approximately HK$29.2 million (Period 2024: approximately HK$72.6 million), representing a decrease of approximately HK$43.4 million or 59.8% as compared to Period 2024 mainly due to the decrease in interest on promissory notes and imputed interest on convertible bonds during the Current Year.

The Group recorded a loss for the Current Year of approximately HK$10.3 million (Period 2024: approximately HK$137.3 million), representing a decrease by approximately HK$127.1 million, or 92.5% as compared to Period 2024. This was mainly attributable to: (i) the increase in fair value change on carbon-credit assets of approximately HK$49.3 million for the Current Year; (ii) the decrease in research and development costs of approximately HK$12.0 million for the Current Year; and (iii) decrease in administrative and selling expenses and finance costs of approximately HK$27.1 million and approximately HK$43.4 million respectively as above-mentioned.

During the Current Year, the Group was mainly engaged in the following activities:

(i) Global Carbon Neutral Business Segment

The Group launched the Global Carbon Neutral Business Segment at the beginning of 2021. It established a unique market position for the carbon neutral related operations, primarily focusing on carbon-credit asset development, operation and management, investment, carbon consulting and carbon neutral planning. Through actively deploying negative carbon emissions as basic industry, the Group achieved a unique carbon-neutral collaborative development approach that combines new asset development and management with industry, creating a sustainable and high-return business model.

During the Reporting Period, the Group successfully developed: (1) the first manure intensive treatment project in China registered on the Verified Carbon Standard (VCS) platform in Huoqiu County, reducing 76,000 tCO_2e annually, with a total reduction of 760,000 tCO_2e over a ten-year period; (2) the waste incineration power generation project in Yingkou registered successfully on the VCS platform, achieving an annual reduction of 245,000 tCO_2e; (3) the Jiyuan Weiheng Cow Breeding Farm Biogas Recovery and Utilization Project in Henan registered successfully on the VCS platform, reducing 37,500 tCO_2e annually, with a reduction of 265,000 tCO_2e over the first seven-year period.

Global Carbon Neutral Business – Carbon Negative Business

As for carbon negative business, the Group's industry carbon negative business segment focuses on the development and application of negative carbon technology, including CCUS technology. The natural carbon negative business segment redefines forestry and agriculture, conducting carbon sink consulting and trading through investment in afforestation and cooperative development of forest carbon sinks to achieve long-term sustainable green investment. The Group's mission is to reduce China's 2% carbon dioxide emissions, aiming to achieve negative carbon emissions of 100 million tonnes through nature-based solutions and technology-based solutions. The forest generated by afforestation investment will absorb 100 million tonnes of carbon dioxide. Meanwhile, the development of the CCUS project will reduce 100 million tonnes of carbon dioxide emissions. Through these efforts, the Group can sustainably fulfil its corporate social responsibility.

(ii) Development of Carbon Neutral Digital Technology

The Group had acquired 73% equity interest in China Carbon Green Credit Technology (Shenzhen) Company Limited. To empower various industries to achieve carbon-neutral development efficiently and economically, the Group upgraded the infrastructure already built by the company into an one- stop green finance trusted data service network ("**Green Credit Chain**"), and based on the Green Credit Chain, created a credible, accurate, and secure carbon peak and carbon neutrality ("**Dual Carbon**") digital and control platform ("**Dual Carbon Digital Management and Control Platform**"). The Group provided dual carbon digital solutions to eliminate information barriers between industries, and between industries and the financial system, in order to promote cross-industry cooperation. It will support inter-organisational collaboration among enterprises, starting from value consensus to promote value maximisation and efficiency improvement. Additionally, the Group will continuously upgrade Climatestore.cn, Green Gold Enterprise Benefits, and the Dual Carbon Management Platform to embrace the digital era.

East Easy Electricity New Energy Group, a subsidiary of the conglomerate, actively responds to the national green development strategy by innovatively launching the "Urban Smart Energy Storage and Swap Microgrid" service model. It has established a closed-loop system spanning lithium battery supply, swapping, and recycling for reuse. Oriental E-Power pioneered the integration of the DeepSeek large language model (LLM) with microgrid and virtual power plant platforms, enhancing energy management, forecasting, and optimization capabilities. This initiative not only addresses safety hazards associated with electric bicycles, charging security, and the recycling of retired lithium batteries, but also enhances the convenience and safety of urban mobility and charging. It sets a benchmark for green urban transportation, strengthens the resilience of city energy systems, drives urban energy transformation, and contributes to achieving carbon neutrality goals. Currently, Dongfang Yidian operates over 20,000 battery swap cabinets across 90 cities nationwide, managing more than 650,000 batteries and facilitating over 50 million battery swaps.

(iii) Civil Engineering and Construction Business

During the Current Year, the Civil Engineering and Construction Business managed to record a stable performance despite the grave challenges from the COVID-19 outbreak and the economic downslope in Hong Kong since early 2020.

In the course of project contracting, the Group also attached great importance to the protection of famous and ancient trees and biodiversity, and was committed to protecting the environment and promoting sustainable development while building social development. Besides, we focused on the principle of sustainable construction and had good record in the implementation of green building projects. Our environmental management system had been certified under ISO 14001. Under its strict framework, we took a systematic approach to manage our resource utilization efficiency and emission control to advance continuous upgrading. Particularly, we attached great importance to the assessment of our environmental data (such as energy and material utilisation, carbon emissions, water consumption and waste generation), and took various effective measures to reduce carbon emissions continuously.

As a main contractor of the contracts awarded to the Group, the Civil Engineering and Construction Business offers high value-added services that encompass works from the procurement of materials and equipment, selection of sub-contractors to on-site supervision, work progress monitoring and overall coordination of the day- to-day work of projects. All of the Civil Engineering and Construction Business' contracts undertaken for both civil and building construction business were for customers which are independent third parties including certain departments of the Government of the Hong Kong and public utilities companies and private organizations in Hong Kong.

For the Current Year, revenue generated from the Civil Engineering and Construction Business amounted to approximately HK$556.8 million (Period 2024: approximately HK$657.4 million). For the Current Year, included in the turnover was: (i) revenue from civil engineering works of approximately HK$248.8 million (Period 2024: approximately HK$421.6 million); and (ii) revenue from building construction and maintenance works of approximately HK$308.0 million (Period 2024: approximately HK$235.8 million). For the Current Year, the gross profit of the Civil Engineering and Construction Business amounted to approximately HK$34.2 million (Period 2024: approximately HK$45.0 million), representing a gross profit margin of approximately 6.1% (Period 2024: approximately 6.8%).

As of 30 June 2025, the Group had 11 significant projects in progress, of which 2 were building construction and maintenance projects while the remaining were civil engineering construction projects.

As of 30 June 2025, the total contract sum and the total outstanding values of the Group's substantial projects in progress amounted to approximately HK$300.0 million and approximately HK$115.0 million respectively (30 June 2024: approximately HK$371.0 million and approximately HK$49.0 million respectively).

Despite the tough operating environment in Hong Kong, the Civil Engineering and Construction Business maintained its competitive advantages, which are to provide high- quality services of a wide scope and to maintain a cordial client relationship, and the progress in obtaining new contracts managed to record a stable performance for the Current Year.

The Group has been awarded 3 new substantial contracts for the Current Year, namely:

– Advance Civil Engineering Works for Public Housing Development Projects Batch 13 (2023–2025)

– Civil Engineering Improvement Works at Wu King Estate and Shui Pin Wai Estate

– Window Replacement at Wongnaichong Gap Station

In the future, the Group will devote more resources for the below two business segments:

(i) New Energy Business Segment

The Group has signed a strategic cooperation agreement with Beijing Zhonghong Blue Ocean to jointly develop carbon neutrality and new energy industry projects. This includes establishing a "Dual Carbon Digital Management and Control Platform" to provide digital management services for carbon emissions and energy consumption; advancing new energy vehicle charging infrastructure and integrated photovoltaic-storage-charging projects, constructing charging facilities and intelligent network platforms; promoting the development of green new energy transportation systems, accelerating the adoption of new energy vehicles through replacement programs; and advancing new energy battery recycling and secondary utilization projects, establishing an intelligent power battery recycling system to facilitate the green transformation of the industrial chain.

The agreement signed between our Group and Zhongnong Haidao stipulates that both parties will engage in comprehensive strategic cooperation encompassing ecological remediation of saline-alkali land, cultivation of salt-tolerant crops, development of carbon sink assets, and industrial demonstration and promotion. A phased implementation plan has been drafted, with the initial launch of a 1 million mu (a Chinese unit of area, 1 mu equivalent to approximately 0.067 hectares) (approximately 67,000 hectares) planting project in China's core saline-alkali land improvement zones scheduled for 2025. The medium-to-long-term plan envisions advancing integrated utilization and carbon sink restoration projects on saline-alkali land domestically and internationally, targeting a total scale of 200 million mu (approximately 13.4 million hectares). Regarding carbon neutrality talent development, both parties will jointly advance the cultivation of specialized carbon management professionals in the agricultural sector. The Group will collaborate with Zhongnong Haidao to support governments at all levels and relevant enterprises in establishing scientific and standardized carbon neutrality management teams, empowering local green development and industrial transformation.

(ii) Renewable Energy Business

The Group has completed the acquisition of a 60% equity interest in Henan Zailiang New Energy Renewable Company Limited ("**Zailiang New Energy**"). Zailiang New Energy is an approved lithium battery recycling white-listed enterprise by the Ministry of Industry and Information Technology of China, with one of the only 52 graded utilization licences nationwide. It possesses core technologies in battery sorting assessment, cell assembly balancing, operation maintenance and economic evaluation. Its main business includes the graded utilization, dismantling, recycling of lithium batteries for new energy vehicles, as well as the disposal and recycling of waste electrical and electronic products, and the sale of used goods. Application scenarios include communication base stations, highway charging stations, mobile charging vehicle energy storage systems, mobile backup systems, and home energy regulation systems. During the Reporting Period: (1) the Group developed an integrated online and offline platform called Xunli.com, which empowers the recycling and reuse of new energy batteries with digital technologies such as blockchain and artificial intelligence, building a dual-engine lithium battery industry ecosystem platform driven by technology and finance; (2) the Group leverages Henan Zailiang's license and production advantages to establish an upstream partnership with China Tower and China Energy Conservation for recycling and processing retired lithium batteries. Downstream, it collaborates with leading listed companies in the battery industry to supply raw materials for lithium battery production, meeting their requirements for European market access and forming an industrial B-ring.

PROSPECTS

As at 30 June 2025, the Group has four reportable segments as follows:

(1) Global Carbon Neutral Business

The Group's dual-carbon management platform integrates carbon emission monitoring, reduction planning, and resource allocation through an intelligent analytics engine. By consolidating government, industrial park, and enterprise resources across three tiers, it establishes a data-driven carbon asset management system. This empowers clients to achieve low-carbon transformation, enhance operational efficiency, and advance sustainable development goals. The Dual Carbon Digital Management and Control Platform of Jiyuan City and the Carbon Peak Development Implementation Plan Compilation Project of Jiyuan City were tendered by the relevant departments of Jiyuan City in last year, and the Group won the bid. The above two businesses are very replicable. The first step can be replicated in other cities in Henan and then promoted nationwide. These two businesses mainly involve professional technology and labour costs, which can bring considerable returns to the Group. The Group will strengthen its marketing efforts to achieve leapfrog development in its business operations.

(i) The Group possesses the strongest carbon asset development and management team in the country. In the future, the Group will continue to develop customer resources based on past successful experiences in registering manure, waste power generation, and biogas recovery on the VCS platform, such as increasing carbon asset sources through cooperation with China Everbright Group, Sinochem Group and relevant local governments.

(ii) In view of the current inactive trading of carbon assets, the Group plans to cooperate with relevant institutions to try to securitize carbon assets to achieve transactions and solve the sales of inventory carbon assets.

(2) Digital Technology Business Segment

(i) The Group and BRICS Capital Management Co., Ltd. jointly established Global Carbon Asset Management Co., Ltd. This fund is a global, impact-driven private equity and venture capital fund focused on carbon asset monetization and deep decarbonization, while collaborating to achieve carbon asset tokenization.

(ii) The Group has leveraged the upgraded Green Trust Chain and Climate Store to establish an exchange in Singapore, providing technological support for the digital trading of carbon assets.

(3) Civil Engineering and Construction Business

For the Civil Engineering and Construction Business, although the operating environment in Hong Kong is expected to remain tough in the coming years such as continuously rising wages and cost of construction materials and shortage of skilled labors, the Company is confident that the Group would be capable of securing promising business opportunities given its vast experience in handling a wide variety of construction works.

(4) Battery Cascading Utilization Business

East Easy Electricity has innovatively launched the “Urban Smart Energy Storage Battery Swapping Microgrid” service model. This establishes a close B-ring system spanning lithium battery supply, battery swapping, and recycling/reuse. Currently, East Easy Electricity and its operators manage over 20,000 battery swap cabinets across 90 cities nationwide, handling more than 650,000 batteries with over 50 million swap transactions.

Additionally, the company accelerates the adoption of new energy transportation through vehicle replacement programs. It also advances new energy battery recycling and secondary utilization projects, establishing a smart power battery recycling system to promote green transformation across the industrial chain.

The Board believes that the above businesses will bring sustainable business growth and financial returns to the Group.

In the future, the Group will devote more resources to the two segments below.

(1) New Energy Business Segment

The Group will fully leverage the established cooperative relationship with Henan to deeply cultivate and thoroughly develop the new energy business segment in Henan in the future

(i) Fully utilise the East Easy Electricity platform to increase investment and operation management of battery swapping cabinets, After implementation in Zhengzhou, Jiyuan, and Luoyang, the initiative will be scaled up through replication and expansion, targeting food delivery riders, residents' two-wheeled electric vehicles and shared two-wheeled electric vehicles.

(ii) Various preferential policies have been introduced by the country to promote consumption. Henan is preparing to launch a business for exchanging old electric two-wheelers for new ones. The Group has participated in declarations in many regions and is expected to obtain a larger market share.

By 2025, China's retired power battery volume is projected to reach 306 GWh (approximately 240,000 tons), surging to 148 GWh (about 1,050,000 tons) by 2030. This indicates a more than 20-fold increase in retired battery volume over the next five years. Henan Zailiang New Energy has established a business model addressing recycling technology bottlenecks, building recovery networks, and creating a closed-loop circular economy for battery regeneration, positioning itself for extensive future growth potential.

(2) Digital Technology Business Segment

(i) Green Trust Chain Service Upgrade

Building upon a blockchain technology foundation, we establish a one-stop trusted data service network for green finance. Evolving beyond merely refining industrial data into digital assets to achieve a closed-loop digital finance connection, we now focus on providing industries with trusted infrastructure for real-asset and data-asset rights confirmation, on-chain evidence storage, and cross-border circulation. By constructing an end-to-end service system encompassing "Data Assetization → Rights Confirmation Standardization → Global Circulation," we empower dual-carbon enterprises to efficiently connect with financial institutions. This enables secure rights confirmation, cross-border flow of green assets, and the achievement of sustainable development goals.

(ii) Climate Store Service Upgrade

As a comprehensive platform for carbon asset development, management, and trading, is committed to helping clients reduce carbon emissions, achieve energy conservation and environmental protection goals, and actively drive the global transition toward a zero-carbon future. We provide carbon asset services – including purchasing, transferring, and offsetting – for corporate and individual users, facilitating global carbon asset circulation. The upgraded platform now offers carbon consulting services such as dual-carbon planning, carbon emissions accounting, carbon verification, carbon footprint assessment, and EU carbon border adjustment mechanism (CBAM) compliance. These services empower businesses to effectively manage and optimize their carbon assets, contributing to the realization of green economic and sustainable development goals.

(iii) Dual Carbon Digital Management Platform Project

The Dual Carbon Digital Management Platform addresses core challenges faced by local governments, industrial parks, and enterprises in achieving dual carbon goals – including policy coordination difficulties, fragmented data management, and weak resource collaboration. Comprehensively compatible with the 24 methodologies of China's National Development and Reform Commission, our proprietary platform integrates government-park-enterprise ecosystem resources through an intelligent analytics engine. This enables seamless monitoring of carbon emissions, planning of reduction strategies, and allocation of resources across the entire value chain, establishing a data-driven carbon asset management system. We empower clients to achieve low-carbon transformation, enhance operational efficiency, and advance sustainable development goals.

(iv) Carbon Coins (CC) Launching Soon

Carbon Coins (CC) is a token protocol based on real carbon credit assets, an ERC-20 token on the Polygon public chain. It aims to tokenize carbon credits, enabling transparent trading and cancellation of carbon offsets on the blockchain. Each CC represents 1 kg of carbon credits and is linked to verified carbon offset projects. It builds a transparent, trustworthy carbon credit market, aspiring to become a global leader in carbon asset trading. By integrating global carbon exchanges, it creates an efficient, transparent trading platform to promote the global circulation of carbon assets.

(v) Green Real-World Assets ("**RWA**") Exchange Launches, Releases RWA Projects

Green Exchange is the world's leading digital trading platform for RWA. Built on the blockchain-based "Green Trust Chain," it generates on-chain certificates for green assets – such as clean energy, carbon credits, and environmental facilities – from physical industries, converting them into tradable digital tokens. Through three core capabilities – value stability assurance, legal title verification, and off-chain data verifiability – it achieves full lifecycle management from "real assets on-chain → RWA issuance → tradable financing commodities," unleashing new momentum for green finance.

FINAL DIVIDEND

The Board did not recommend the payment of any final dividend for the Current Year (Period 2024: Nil).

CORPORATE GOVERNANCE

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of the shareholders of the Company (the "**Shareholders**") and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules. The details were as follows:

In wake of the appointment of Mr. Geng Zhiyuan ("**Mr. Geng**") as an NED, Honourable Chairman and the member of nomination committee on 25 November 2024 and the retirement of Mr. Zhong Guoxing ("**Mr. Zhong**") as the Chairman of nomination committee on 25 November 2024.

In wake of the resignation of Ms. Lan Haiqing ("**Ms. Lan**") as an INED, the member of each of the audit committee, remuneration committee and nomination committee on 27 December 2024, the Company had fully complied with the requirements as set out in Rules 3.10(1); 3.10A and 3.21 of the Listing Rules. The appointment of Ms. Qiao Yanlin ("**Ms. Qiao**") as an INED, the member of each of the audit committee, remuneration committee and nomination committee on 27 December 2024, the Company had fully complied with the requirements as set out in Rules 3.10(1); 3.10A and 3.21 of the Listing Rules.

In wake of the resignation of Mr. Wang Anyuan ("**Mr. Wang**") as an INED, the chairman of the audit committee and the member of each of the remuneration committee and the nomination committee on 23 January 2025, the Company had fully complied with the requirements as set out in Rules 3.10(1); 3.10A and 3.21 of the Listing Rules. The appointment of Mr. Cao Ming ("**Mr. Cao**") as an INED, the chairman of the audit committee and the member of each of the remuneration committee and the nomination committee on 23 January 2025, the Company had fully complied with the requirements as set out in Rules 3.10(1); 3.10A and 3.21 of the Listing Rules. Mr. Wang Guangzu as an alternate of Mr. Geng on 23 January 2025.

In wake of the appointment of Mr. Chen Yonglan ("**Mr. Chen**") as an NED and Co-Chairman on 4 June 2025. The re-designation of Mr. Zhong as a Co-Chairman on 4 June 2025.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES OR TREASURY SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the Listing Rules)) for the Current Year.

As at 30 June 2025, there were no treasury shares (as defined under the Listing Rules) held by the Company.

AUDIT COMMITTEE

The Audit Committee currently comprises three members including, Mr. Wang Jiasi, Mr. Cao Ming and Ms. Qiao Yanlin, all being independent non-executive Directors. The Audit Committee has reviewed together with the management the accounting principles and policies adopted by the Group, discussed risk management, internal controls and financial reporting matters and the consolidated results of the Group for the Current Year.

EVENTS AFTER THE REPORTING PERIOD

The Group did not have any significant event after the Current Year and up to the date of this announcement.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT

This results announcement is published on the Stock Exchange's website (www.hkex.com.hk) and the Company's website (www.carbonneutral.com.hk). The annual report for the Current Year containing all the information as required by the Listing Rules will be dispatched to the shareholders of the Company and will be available on websites of the Stock Exchange and the Company in due course.

By order of the Board
China Carbon Neutral Development Group Limited
Zhong Guoxing
Chairman and Executive Director

Hong Kong, 30 September 2025

As at the date of this announcement, the executive Directors are Mr. Zhong Guoxing, Mr. Di Ling and Mr. Lu Xiangyong; the non-executive Directors are Mr. Chen Yonglan and Mr. Geng Zhiyuan (Mr. Wang Guangzu as his alternate) and the independent non-executive Directors are Mr. Wang Jiasi, Mr. Cao Ming and Ms. Qiao Yanlin.